

Corrective Action Plan

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-1	97.004	The reports were submitted on 10/07/2004 by Military Affairs and remain current.	Dan McGowan, Administrator, Disaster and Emergency Services	Completed and Ongoing
Finding #2-2	97.046	The Department of Natural Resources and Conservation (DNRC), Fire Business Committee, has implemented a documentation process for fire meal payments.	Ted Mead, Chief, Fire & Aviation Mgmt. Bureau	July 1, 2005
Finding #2-3	14.246 84.352	The Department of Administration (DOA), Architecture and Engineering Division (A&E) will review existing policies and procedures with each project manager to help ensure 100% compliance with federal Davis-Bacon Act reporting requirements.	Tom O'Connell A & E, DOA	December 10, 2004
Finding #2-4	20.608	The DOA is reviewing all federal funding sources and will implement controls to ensure expenditures are in compliance with state and federal regulations. Training opportunities are also being sought to help program managers better manage these funds.	Jeff Brandt Inform. Tech. Serv. Div., DOA	November 1, 2004
Finding #2-5	16.710, 20.608	The importance of the proper completion of travel vouchers will be re-emphasized to all department employees and approving supervisors. Internal controls and procedures are also being reviewed to further ensure compliance with state travel policy.	Jeff Brandt Inform. Tech. Serv. Div., DOA	November 1, 2004
Finding #2-6	20.607, 20.608	The Montana Highway Patrol Division (MHP) operated within the guidelines provided by the grantor - Montana Department of Transportation. In the future, MHP will ensure that written direction and guidelines be provided by the grantor and MHP will operate within the guidelines provided.	Colonel Paul Grimstad, MHP	Implemented
Finding #2-7	10.665	As required by federal subrecipient monitoring requirements, the State Auditor's Office will contact the counties to ensure timely and appropriate action is taken on all audit findings. The contact will be made by telephone call to the county followed by a letter to document the discussion.	Patti Olson, Central Services Div., State Auditor	December 31, 2005

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Finding #2-8	10.664	DNRC has established separate orgs, funds, subclasses for each individual federal grant award.	Sue Clark, Chief, Business Management Bureau, DNRC	July 1, 2004
Finding #2-9	10.664	Federal reconciliation and cash draws are completed and submitted monthly for each individual grant award.	Sue Clark, Chief, Business Management Bureau, DNRC	July 1, 2004
Finding #2-10	10.664	The most recent census information is verified before finalizing an award. This is documented in each file	Ted Mead, Chief, Fire & Aviation Mgmt. Bureau, DNRC	July 1, 2004
Finding #2-11	10.664	Monthly verification of matching requirements will be conducted within the Forestry Division. Documentation of this will be included in all grant files.	Sue Clark, Chief, Business Management Bureau, DNRC	January 1, 2006
Finding #2-12	10.664	Federal reconciliation and cash draws are completed and submitted monthly for each individual grant award. Three separate fiscal personnel, within the DNRC, review these reports prior to submittal.	Sue Clark, Chief, Business Management Bureau, DNRC	July 1, 2004

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-13	10.557	<p>A temporary staff person is assigned to review the past void/reissues to determine if inappropriate issuance occurred. The staff person will report findings to the Section Supervisor.</p> <p>The Information Services Unit (IS) is planning to develop improved void/reissue functionality for the local service delivery staff to utilize when infant and special formula food packages must be voided and reissued with a different infant or special formula. Installation of this upgrade should be completed by December 31, 2005 and eliminate the requirement for state staff to track void/reissue checks.</p>	<p>Marie Matthews, Fiscal Policy Advisor, DPHHS</p>	December 31, 2005
Finding #2-14	10.557	<p>A) A monitoring tracking spreadsheet has been developed and is reviewed by the Program Manager on a monthly basis to ensure timely review completion and results notification. Monitoring activities, including timely completion of reports has been included in employee performance appraisals. The DPHHS Internal Auditor will evaluate the success of the new tracking worksheet during a program review to be completed between October 1, 2006 and December 31, 2006.</p> <p>B) In May of 2005 USDA's Mountain Plains Regional Office performed a Management Evaluation. Following that review, the Public Health and Safety Division resumed the financial reviews required to be a component of local agency monitoring visits. The WIC State Plan (p. 3-B-34) describes the tasks being performed. "The administrative team member will also review original documents (timesheets/cards for WIC employees, telephone bill and how it is distributed among programs, bills for office supplies, rent, etc.) If rent is distributed among programs, written justification for the plan or method used will need to be available. A general guide is that the "paper trail" of expenses claimed must be easy to follow."</p> <p>C) The tracking spreadsheet has been modified to contain the number of clinic sites for a local agency and the minimum number of clinic sites, which must receive an on-site review during the monitoring visit. The program manager will review the tracking worksheet monthly.</p>	<p>Marie Matthews, Fiscal Policy Advisor, DPHHS</p>	December 31, 2006

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Finding #	CFDA #	CAP - Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-15	10.557	<p>The monitoring tracking spreadsheet, discussed in recommendation 2-14, includes a listing for the receipt of a corrective action plan from the local agency. The spreadsheet is reviewed each month for late reports and responses.</p> <p>Division procedures require a letter to be sent if the corrective action plan has not been received by the 60-day deadline. Follow-up letters for all outstanding corrective action plans have been issued. The DPHHS Internal Auditor will evaluate the timeliness of corrective action plans during a program review to be completed between October 1, 2006 and December 31, 2006.</p>	Marie Matthews, Fiscal Policy Advisor, DPHHS	December 31, 2006
Finding #2-16	10.557	<p>In federal fiscal year 2006, five percent of the authorized retailers determined to be high risk will be visited for a series of compliance investigations or for inventory audits. If the number of high-risk retailers does not equal five percent, the remaining slots will be selected randomly from authorized retailers.</p> <p>All compliance investigations will be completed in federal fiscal year 2006 and subsequent years. The DPHHS Internal Auditor will evaluate the sufficiency of the compliance investigations performed in federal fiscal year 2006 during a performance review to be completed between October 1, 2006 and December 31, 2006.</p>	Marie Matthews, Fiscal Policy Advisor, DPHHS	December 31, 2006
Finding #2-17	10.557	<p>A temporary staff person is assigned to review prior dual certification reports to eliminate false positives and research suspected positives. The duty will be returned to the staff member normally assigned to the task after the backlog has been cleared. Findings will be reported to the section supervisor.</p> <p>Local agencies will be notified to issue the appropriate sanctions as per the State Plan p. 3-B-20 under Participant Fraud/Abuse depending on whether the dual participation was intentional or unintentional.</p> <p>Participants found to be participating in more than one clinic site will be removed from at least one of the clinic sites. If the dual participation is intentional and/or the second offense, the participant will be disqualified for one year and requested to repay the over issued benefits.</p>	Marie Matthews, Fiscal Policy Advisor, DPHHS	December 31, 2005

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-18	10.558	The Human and Community Service Division has completed additional training of all Child and Adult Care Food Program staff. Staff are now keeping copies of all application checklists and menu evaluations for reviewed menus in each provider file.	Marie Matthews, Fiscal Policy Advisor, DPHHS	Completed
Finding #2-19	Various	The Fiscal Policy Office will re-disseminate the policy to a broader audience. To help ensure the appropriate staff receive, understand and apply the policy, the Internal Auditor will perform a performance review of contract files across the agency.	Marie Matthews, Fiscal Policy Advisor, DPHHS	January 31, 2006
Finding #2-20	93.778	Disability Services Division management will clarify its requirements for provider invoice reviews and communicate their expectations to regional staff in writing.	Marie Matthews, Fiscal Policy Advisor, DPHHS	October 31, 2005
Finding #2-21	93.778	The Health Resources Division has developed a tracking sheet to document the receipt of cost reports. The related written procedures will be completed by December 31, 2005.	Marie Matthews, Fiscal Policy Advisor, DPHHS	December 31, 2005
Finding #2-22	93.778	The Health Resources Division will provide the drug utilization data to manufacturers within the timelines required by federal regulations, for all quarters in which the drug pricing data is received from the Centers for Medicare and Medicaid Services within the required 45 days from the end of the quarter.	Marie Matthews, Fiscal Policy Advisor, DPHHS	Completed

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Finding #	CFDA#	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-23	93.658	The Child and Family Services Division (CFSD) has and will continue to pursue improvements designed to help ensure permanency planning hearings occur as required by federal regulation. The division has provided training on the importance of annual permanency hearings and standardized court order language. Improved management reporting tools will provide more efficient tracking, monitoring and supervisory review.	Marie Matthews, Fiscal Policy Advisor, DPHHS	Completed
		Senate Bill 119 passed during the 2005 Legislative Session authorizes a foster care review committee or a citizen review board to conduct a permanency hearing subject to approval by the court. If and when utilized, this increased flexibility may assist the scheduling pressures within the district courts.		
Finding #2-24	93.658	A) The Child and Family Services Division (CFSD) has put procedures in place to ensure that foster care case files are reviewed as required by federal regulations. B) The CFSD has put procedures in place to ensure that the department complies with the state administrative rules until such time that the rules can be amended to be no less restrictive than the federal rules.	Marie Matthews, Fiscal Policy Advisor, DPHHS	Completed
Finding #2-25	93.658	The CFSD implemented new procedures, which will require the Operations and Fiscal Bureau Chief review the federal share rate worksheet prior to inclusion in the foster care subsystem. The division will periodically test payment records from the state's accounting system to ensure the correct rates are being used.	Marie Matthews, Fiscal Policy Advisor, DPHHS	Completed
Finding #2-26	84.126	The Disability Services Division will establish a written procedure detailing the preparation and review of the RSA-2 report. Future reports will be prepared and reviewed by two separate employees prior to submission. The department will strengthen the hospital repayment processes to comply with the administrative rule. The related written procedures will be completed by December 31, 2005.	Marie Matthews, Fiscal Policy Advisor, DPHHS	December 31, 2005

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-27	84.126	The DPHHS will strengthen the prevention and detection procedures to ensure all payroll costs are charged to the correct federal year.	Marie Matthews, Fiscal Policy Advisor, DPHHS	November 30, 2005
Finding #2-28	Various, R&D Cluster	University research administration personnel will modify procedures to ensure compliance with applicable federal regulations. Personnel will implement a subrecipient monitoring database and revised procedures by December 31, 2005.	M. Weer, Grant Accounting Manager, UM Missoula	December 30, 2005
Finding #2-29	Various, R&D Cluster	Current procedures do notify Principal Investigator's (PI) of their technical and performance reporting requirement. ORSP also conducts training where this requirement is emphasized. The Research Office will notify all PI's of the audit finding and stress the importance of PIs' meeting their reporting requirements on time.	C. Carlson Associate Vice President for Research, UM Missoula	September 30, 2005
Finding #2-30	Various, R&D Cluster	MSU Bozeman will endeavor to make grant closures in compliance with university policy and grantor guidelines.	Leslie Schmidt, MSU Bozeman Grants and Contracts	Completed and Ongoing
Finding #2-31	14.239	The HOME Program currently requires all of its grantees to conduct debarment checks prior to entering construction, architecture, engineering or consulting contracts in order to fulfill this requirement. This same procedure will now be implemented to conduct debarment checks on cities, towns, counties and Community Housing Development organizations, prior to the Department entering contracts with those entities.	Maureen Martin, Bureau Chief of the Housing Assistance Bureau, Dept. of Commerce	The Department will have this process in place for the next round of funding in the spring of 2006, no later than July 1, 2006.

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-32	14.228	The Montana CDBG Program is responsible for maintaining five different reporting systems, primarily to meet the requirements of the US Department of Housing and Urban Development (HUD). The complexity and inherent duplication involved in the multiple reporting systems invites the problems identified in the audit. The CDBG program is creating an electronic system linked to the accounting system (SABHRS) to automatically collect the PER data as opposed to the manual system currently used. The CDBG program hopes to have the electronic system in place by June 30, 2006.	Dave Cole, Administrator, Community Development Division, Dept. of Commerce	June 30, 2006
Finding #2-33	Various	The Office of Public Instruction (OPI) policy requires two levels of written supervisory approval before an employee travels out-of-state, which allows them to review and determine the cost effectiveness of the travel plans beforehand. The office will centralize documentation so the claims are easier for auditors to verify and will closely monitor travel expenditures to ensure compliance.	Joan Anderson, Assistant Superintendent Department of Operations, OPI	November 1, 2005
Finding #2-34	84.027, 84.323, 84.348, 10.553, 10.555, 10.559	Auditors informed staff of a report that is available from the state accounting system, and it will be used to determine non-school subrecipients subject to audit monitoring.	Joan Anderson, Assistant Superintendent Department of Operations, OPI	November 1, 2005
Finding #2-35	84.010, 84.027, 84.367, 10.555	The FY 2005 CMIA agreement was finally amended in September 2005 by the Department of Administration. The final agreement more closely reflects the procedures staff thought were already effective during FY 2005 and had been using for cash draws during FY 2005. Staff has worked with the Department of Administration to ensure our methods used for FY 2006 adhere to the current agreement related to cash management for CMIA programs.	Joan Anderson, Assistant Superintendent Department of Operations, OPI	November 1, 2005

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-36	84.186, 84.298, 84.352, 84.367	Staff will monitor the list of suspended and debarred parties prior to disbursing funds.	Nancy Coopersmith, Assistant Superintendent Department of Education Services, OPI	November 1, 2005
Finding #2-37	20.600, 20.602, 20.603, 20.604, 20.605	A) The Montana Department of Transportation (MDT) will continue its efforts in developing and implementing control procedures to ensure compliance. B) The department will document support for match claimed.	Clayton McEravy, Accounting Services Bureau (ASB), Priscilla Sinclair, Highway Traffic Safety (HTS)	June 30, 2005 January 1, 2006
Finding #2-38	20.205	MDT finalized, in September 2005, the supplemental specifications regarding subcontracts to ensure compliance with federal Davis-Bacon Act provisions	Mark Wissinger, Const. Bureau DOT	Sept. 30, 2005
Finding #2-39	20.205	MDT Accounting Services Bureau and Highway Traffic Safety Program will establish controls to ensure timely billing. However due to the restricted capabilities of their old cost accounting and billing systems they are unable to improve the timing of our final month end billing. MDT is currently updating the programming of these systems to Oracle. Once this is accomplished they will work to improve the timing of our final month end billing. Until then they will be working with the Department of Administration regarding our CMIA agreement and make appropriate changes.	Clayton McEravy, Accounting Services Bureau, Priscilla Sinclair, Highway Traffic Safety, MDT	June 30, 2006

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-40	20.205, 20.607, 20.608	MDT developed a plan in August 2005 and began implementing additional mitigating internal control procedures by computing the rates earlier, implementing a more formalized review process, and establishing a rate verification procedure.	Gordon McGaw, Accct. Serv. Bur. MDT	Jan. 1, 2006
Finding #2-41	Various	The MDT Accounting Services Bureau with FHWA and DOA is reviewing the propriety of rate calculations to determine necessary changes. Also note that the previous indirect cost rates and the development processes were reviewed and approved by the Federal Highway Administration.	Gordon McGaw, Acct. Serv. Bur. MDT	April 30, 2006
Finding #2-42	97.004, 97.042, 97.053, 97.067	Military Affairs will conduct the subrecipient monitoring activities specified in the plan. A person has been hired to do this monitoring and expects to start the activities before the end of December.	Dan McGowan, Administrator, Disaster and Emergency Services	Ongoing
Finding #2-43	17.207, 17.225	In state fiscal years 2004 and 2005, the Department of Labor and Industry (DOLI) consulted with Montana Department of Administration (D of A) staff, resulting in amendments to the FY 2005 and FY 2006 Treasury Agreements that reflect more appropriate draw patterns. The department will continue to work with D of A to ensure the department and state can comply with the terms of future CMA agreements.	Bernadine Warren, Chief, Fiscal Support Bureau, DOLI	Corrected as of September 2005
Finding #2-44	17.207	The DOLI has instituted periodic training to all department personnel who either approve purchases, or actually make the purchases, in order to prevent future violations of department and state purchasing regulations. The department has created monitoring spreadsheets that help identify purchasing limitations in contracts, and is working with the Montana Department of Administration to create a database query that will identify potential violations of purchasing regulation.	Bernadine Warren, Chief, Fiscal Support Bureau DOLI	June 2006
		Training of all department purchasing staff was completed by February 2004. Since then, the department conducts bi-annual training of all purchasing staff. The contract monitoring spreadsheet is completed, and the database query should be completed by June 2006.		

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-45	66.458, 66.468	All reports are current except for the FY 2004 & FY 2005 reports for both programs which are being prepared now. DEQ has requested and received a documented extension to December 31, 2005 for submission of these reports. The person responsible for preparing these reports will dedicate time each September to ensure future submissions are timely.	Gary Hamel, DEQ Budget Manager	December 31, 2005
Finding #2-46	Various	The Department of Administration (DOA) will review its policies and procedures to ensure proper documentation is maintained, the interest liability calculations support the agreement and changes properly communicated to the federal government.	Paul Christofferson Admin. Fin. Serv. Div.	2005 CMIA Agreement Amended to reflected changes 9/21/05.
				Written procedures will be revised during January 2006.
Finding #2-47	15.605, 15.611	Fish Wildlife and Parks (FWP) purchasing staff has added "check for suspended or debarred contractors" to the purchasing checklist.	Donna Aldrich, Property Section Supervisor	Complete
Finding #2-48	Various	FWP will require the grant accountant to maintain documentation supporting the CFDA numbers and reported amounts. FWP will also require their senior accountant to review the dollar amounts reported on the SEFA to ensure the accuracy of the information reported.	Margie Gilbert, Senior Accountant	June 30, 2006
Finding #2-49	15.611	FWP will ensure claims are paid according to proper contract procurement procedures. FWP will include in the next rewrite of its purchasing manual the fact that the employee who signs the contract is responsible to ensure that the terms of the contract are followed. FWP will include this as a Management Team meeting agenda item as well.	Donna Aldrich, Property Section Supervisor	June 30, 2006

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Finding #	CFDA #	CAP- Corrective Action Plan	Person Responsible for CAP	Target Date
Finding #2-50	15.605, 15.611, 15.615, 10.676	FWP will require the grant accountant to maintain supporting documentation with each financial report and that the senior accountant review and approve all financial reports prior to submission.	Margie Gilbert, Senior Accountant	June 30, 2006
Finding #2-51	Various	As of July 1, 2005, FWP's programs are no longer included in the State's CMIA agreement. Since this was also an issue with our recently completed federal audit, FWP will work the US Fish and Wildlife agency to ensure that federal cash management regulations are followed.	David Clark-Snustad, Accounting & Property Bureau Chief	June 30, 2006
Finding #2-52	Various	The Department of Administration will review its policies and procedures to ensure compliance with federal indirect cost requirements.	Paul Christofferson Admin. Fin. Serv. Div.	Procedures will be completed by February 2006
Finding #2-53	10.025, 10.162, 10.475, 97.004	The Department of Livestock will apply indirect charge rates from federal meat inspection funds as operational costs under the "general" expenditure category (62889) rather than personal services in the Central Service Division. The Department will process the necessary budget documents to properly account for this activity.	George Harris, Administrator Central Services Division	June 30, 2005